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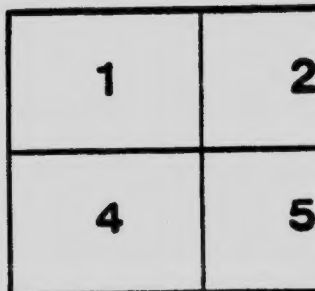
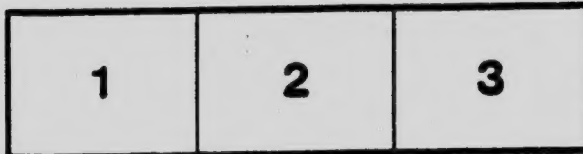
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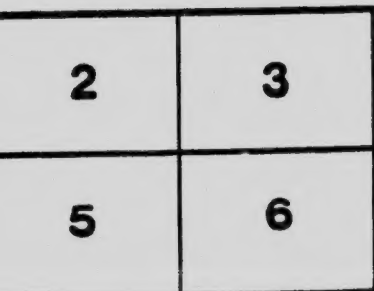
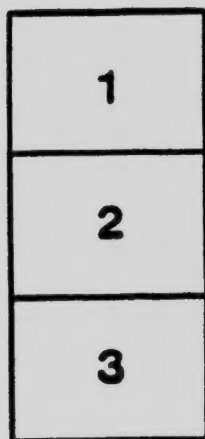
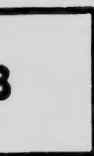
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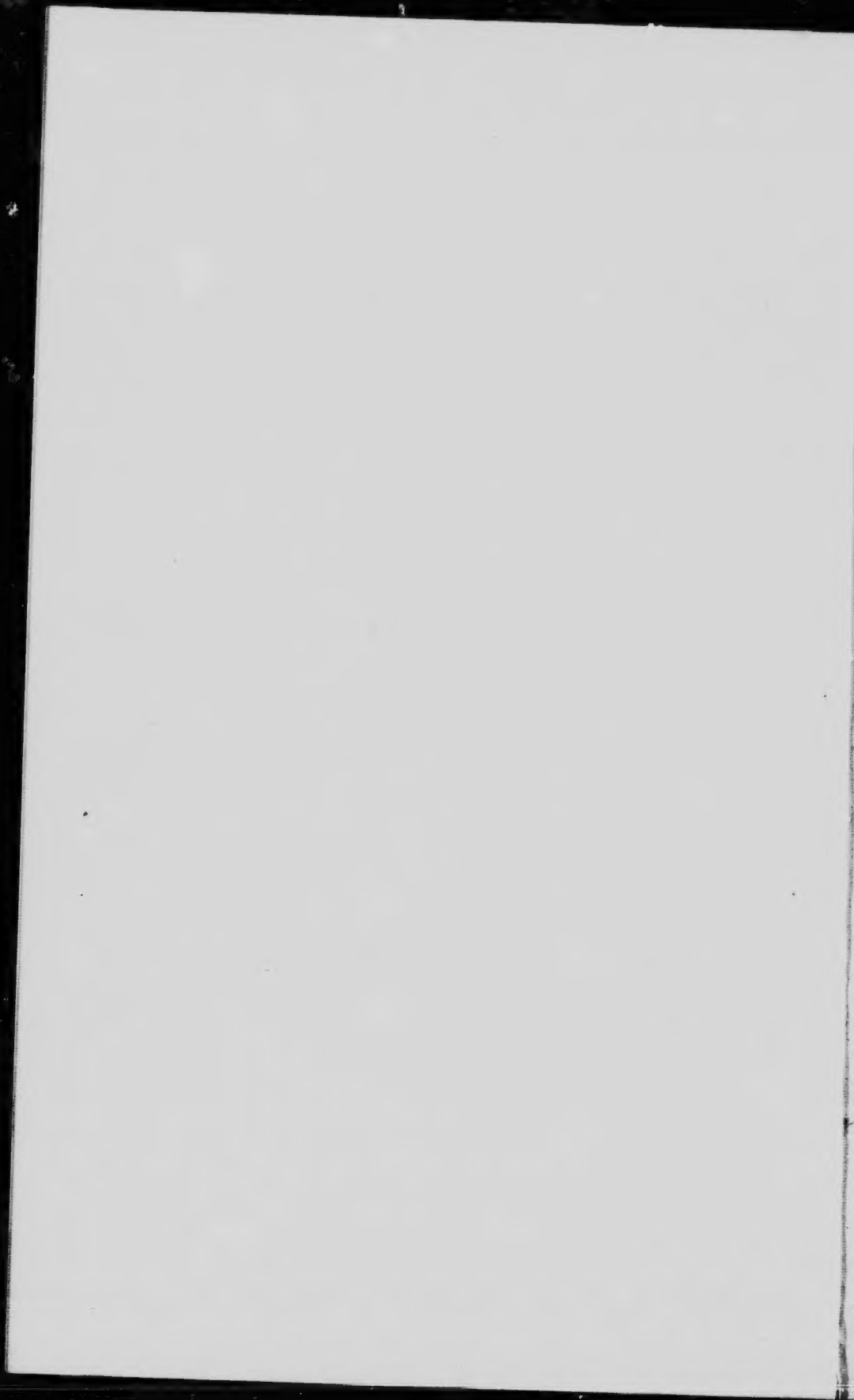
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United States now, the latter country would have an immense advantage. Canadian manufactured goods have been excluded from the United States, because of the high tariff, and are therefore practically unknown to the consumers of that country. The products of the United States manufacturers on the other hand, by reason of the lower Canadian tariff, have been freely sold in this country and are well known to the Canadian people.

The Canadian people have invested heavily in existing industrial enterprises and all interests, agriculture, fishing, lumbering, mining, banking, transportation, etc., are vitally concerned in the continuity of their operations.

Relying upon the maintenance of our tariff, especially as against competition from the United States, British capitalists of late years have invested large sums of money in Canadian enterprises. French and other European investors are beginning to follow the same course. The adoption of a Reciprocity Treaty with the United States would unquestionably check the inward flow of capital, which is necessary to the continued development of our country. (See Appendix 4).

Moderate as is the existing Canadian tariff, it has already induced a large number of United States manufacturers to establish branch factories in this country, thus causing our population to be increased by the employment of labor within our own borders, and creating a large home market for

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TO THE RIGHT HONORABLE SIR WILFRID LAURIER,  
COUNCIL.

The members of the Canadian Manufacturers' Association, you to-day, desire in the first place to thank you for your interest on the question of closer trade relations between Canada and the United States more in detail than has been possible on present tariff policy of the Dominion.

Business men all, trained in the school of competition, have more than ordinary interest the returning crisis in the world's renewal of the agitation for reciprocity with the United States. It would again be brought to the parting of the ways. The action made by our Association upon a subject that is of vital importance to the form of Canadian manufacturing enterprise, it is believed that with more or less equanimity, feeling sure that the present maintenance of the tariff policy of the Dominion for the present will pass us safely through the present situation.

Although the prospect of reciprocity has always been met with confidence is still unshaken.

But lest there should be a disposition on the part of your Government in the expectation of finding a ready acceptance of our population favorable to their view, we must remember the interests for whom we can fairly claim to speak. We have invested capital, \$1,000,000,000 of annual output, thousands of men and workpeople, and distributing annually \$250,000,000. At this juncture to any reciprocal tariff arrangement between Canada and the United States, lowering of the Canadian Customs Tariff on manufactured goods would prove injurious to the industries dependent on the tariff. The interests of Canada and consequently the Empire.

As Canadians, they regard the present as an important juncture in the history of the Empire. (See Appendix 1). The United States in point of capital, specialization of products and methods of production, because of their restricted markets, are not yet so developed as to be able for them to withstand the competition that would result from a Canadian tariff.

The United States may be ready for reciprocity, but Canada enjoys an enviable position in the matter of international trade.

Goods from the United States, admitted under an agreement, they themselves, in order to encourage and protect their own industries, duty of 43 per cent., the result being the present market by the United States people, as evidenced by the fact that Canadian exporters are seriously embarrassed for transacting Customs business, and by onerous requirements for regular certificates, etc. Canada has made things easy for the United States by establishing a port of entry in almost every town of any size. The entry in the United States are on the frontier, where the goods are sold.

If a reciprocal trade agreement embracing manufactured goods from the United States now, the latter country would have an advantage. Goods have been excluded from the United States, practically unknown to the consumers of that country. On the other hand, by reason of the lower cost of production in Canada, goods are well known to the Canadian people.

The Canadian people have invested heavily in the interests of agriculture, fishing, lumbering, mining, banking, and in the continuity of their operations.

Relying upon the maintenance of our tariff, especially in the United States, British capitalists of late years have invested heavily in Canada. French and other European investors are beginning to see that a Reciprocity Treaty with the United States would be a disaster to which is necessary to the continued development of the Dominion.

Moderate as is the existing Canadian tariff, it is believed that the United States manufacturers to establish branch factories in Canada, increased by the employment of labor within our own borders.

1911

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LAURIER, G.C.M.G., PREMIER AND PRESIDENT OF THE

Manufacturers' Association, in whose behalf we appear before you for this opportunity of laying before you their views between Canada and the United States, and of acquainting you on previous occasions with their attitude towards the

tool of competition, and required by the very nature of the situation to the fullest extent, they have watched with interest the crisis in the life of our young nation, when, through the influence of the United States, its commercial and industrial destinies were being shaped. If thus far no official pronouncement has been made, that is obviously fraught with deep significance to every one, it is because of the fact that we have viewed the situation with the wisdom that has characterized the management of the past thirty years could still be relied upon to bring

has already caused some unsettling of business, our

on the part of our neighbors to stiffen their demands of finding on this side of the line any considerable element. In view, we welcome this opportunity of assuring you that we are here to speak, representing approximately \$1,200,000,000 of annual output, furnishing direct employment to 435,000 artisans, and annually \$250,000,000 in wages, are opposed at the present time to any agreement between the two countries that would necessitate a reduction in the manufacture of manufactured products. They are convinced that any such agreement would be directly detrimental to the Empire as a whole.

It is not an inopportune time for the negotiation of a Reciprocity Treaty. United States enterprises are developed to the highest state of efficiency and magnitude of operations; Canadian enterprises are not yet so developed, and it would be obviously impossible to require that would inevitably follow reductions in the present

reciprocity; Canada is not. The United States already has a high standard of international trade. Dutiable products coming from the United States under an average duty of less than 25 per cent., whereas the United States protect their own industries, have imposed an average duty of 25 per cent. on the present all too successful exploitation of the Canadian market evidenced by Canadian trade statistics. (See Appendix 2). The United States is embarrassed by the lack of facilities in the United States for the importation of goods, onerous regulations requiring expensive entry fees, and making things easy for the United States exporter by establishing a system of any account, while practically the only ports of call for Canadian goods, where the duty has to be paid. (See Appendix 3).

Manufactured goods were entered into with the United States and would have an immense advantage. Canadian manufactured goods, because of the high tariff, and are therefore sold in that country. The products of the United States manufactured under the lower Canadian tariff, have been freely sold in this country.

Manufactured goods are heavily in existing industrial enterprises and all industries, banking, transportation, etc., are vitally concerned

with the tariff, especially as against competition from the United States. We have invested large sums of money in Canadian enterprises. If the United States begin to follow the same course. The adoption of a tariff would unquestionably check the inward flow of capital, and the development of our country. (See Appendix 4).

With the tariff, it has already induced a large number of United States factories in this country, thus causing our population to be dependent on our own borders, and creating a large home market for

the products of our farms. Reciprocity would kill this. It would be obviously impracticable for a manufacturing market of 100,000,000 people, when 40 per cent. of the production is the result of the termination of the treaty. (See Appendix 5).

Canada is rich in raw materials—forest, field, and mine. If they are open to the United States, and consumed with the result of the country's use of its own resources they will be depleted. If they are not, Canada should not allow her raw materials to be developed by others. She should develop them within the country, build up strong industries, and export the finished products of Canadian labor throughout the world.

Canadian transportation lines run East and West. They are still making great sacrifices to build them, in order to compete with the United Kingdom. This immense investment in the West would divert traffic southward, at the expense of Canadian railways and steamships. If we entered into a trade agreement with the United States unless we are prepared to spend with all the millions already spent upon it, and unless we are prepared to construct the Welland Canal, of constructing the Georgian Bay Canal, and of erecting terminal elevators adequate to our needs. (See Appendix 6).

As regards the negotiation of a reciprocal trade agreement, the Farmers' Association hesitate to express an opinion. They remind the farmers of the bitter disappointment of the last time their own home markets have been impaired by a flood of foreign goods, and when their access to the markets of the latter was blocked by the imposition of prohibitory rates of duty or by the McKinley Tariff, with its 30 cts. a bushel duty on wheat. Mr. Thompson, who through Ontario and Quebec found himself reduced to a very small business, would be impossible, short of political or at least Commercial Union. If, from the negotiations now in progress, we cannot get a better result, we are accruing to our farmers from any trade agreement a disappointment in realizing their expectations.

From the standpoint of business, it is manifestly unwise to develop channels of trade which lack the opportunities for establishing profitable connections on every hand. That being the case, we would suggest that we should not allow them to relinquish their pursuit of reciprocity without first securing themselves to the building up of strong home and Empire industries. It should be legislated at the will of some foreign power.

The home market is unquestionably the farmer's best market. Some prominent agriculturalists have treated the subject in more ways than one, that easily 80 per cent. of every bushel of wheat is sold within our own borders. (See Appendix 7). Instead of incurring heavy expense and against keen competition in the foreign market, we believe, the Canadian farmer is in the happy position of selling his produce into cash at his very door. Nay, further, in the face of the demands of the home market are such that we actually have a surplus. (See Appendix 8). With our rapid increase in population, we expand and call for the best the farmer can produce.

To achieve this end, we believe that the Canadian Government should be maintained as to encourage the investment of capital in the Dominion, to transfer to the workshops of the Dominion the manufacturing industries, to import from other countries, and notably from the United States, with individual items of our present tariff, as a whole, in the upbuilding of our country and in the expansion of our trade. Therefore is that it will not be disturbed.

In expressing this desire we know that we are not alone. We give these our representations, at the same time we know that many of the statements advanced by them it would be difficult to have been either insufficient or inaccurate. We therefore hope will make our own position clear and obviate further discussion.

It is fallacious to look upon the tariff as a favor

ould kill this movement, which is as yet only in its infancy. manufacturer to equip factories on this side to cater to a cent. of that market might be cut off at any time by the x 5).

st, field, mine and fisheries. If these are now thrown with the same extravagance that has characterized that all be depleted in a few years. With her growing population materials to be exported in their crude state, but should o strong diversified Canadian industries, and distribute oughout the world.

ast and West. The Canadian people have made and hem, in order to encourage trade between the provinces ense investment should not be jeopardized by a Recipro- outhward, benefitting United States transportation lines l steamships. No extended treaty of trade should be ve are prepared to abandon the National Transcontinental and unless we are ready to relinquish the idea of deepening Georgian Bay Canal, of b lding the Hudson Bay Railway uate to our needs at Montreal and Vancouver. (See

ocal trade agreement that would be limited in its applica- their unmanufactured state, the members of the Canadian xpress an opinion. We feel constrained, however, to pointments they have experienced in times past when ed by a flood of surplus produce from the United States, the latter country has been shut off without warning by y or by the abrogation of existing treaties. When the l duty on barley, was announced in 1890, many a farmer f reduced to the verge of ruin. Since it would seem to Commercial Union to guard against such an eventuality we cannot but express our fear that the advantages greement with the United States would fall far short of

n-anifestly unsound for us as a nation to invest our money ack the essential of permanence, particularly when the connections which possess this essential are open to us ould seriously ask our farmers, would it not be . ter apocry with the United States and continue to apply me and Empire markets, out of which they would never ver.

the farmer's best market. Despite the levity with which ted the subject, the fact remains, and is capable of proof ent. of everything that is grown upon the farm is consumed 7). Instead of being compelled to sell his produce under tion in the markets of the world, as some would have us appy position of being able to convert four-fifths of his further, in some lines, more especially in the West, the at we actually are compelled to import farm produce. ase in population the home market must continue to n produce.

the Canadian tariff should be so framed and consistently ent of capital in Canadian enterprises, and to effectually on the manufacture of many of the goods which we still from the United States. Whatever fault may be found ff, as a whole it is proving itself to be a powerful factor the expansion of our home markets. Our earnest hope

at we are not in accord with the Grain Growers of the West give these gentlemen credit for being perfectly sincere in ne we believe they have been misinformed; from m it would appear that they have argued from data that

We therefore beg to offer a few explanations which we obviate future misunderstandings.

as a favor granted to a privileged class, whereby they are



enabled to enrich themselves by levying toll on all fallacious to speak about the beneficiaries of protection the farmer are just as much beneficiaries under a more True, through the aid of the tariff the latter may his output, but the point to remember is that even or in the purchase of supplies means so much more in the hands of the community at large.

Moderate protection sanctions no tribute from dition of general prosperity in which every citizen, statements that the manufacturer adds the whole and offered without any shadow of proof. Such again to the satisfaction of any impartial investigator (See Appendix 9). The great majority of manufacturers for less money to-day than they were twenty years under the healthy competitive system which a manufacturer nearly always be depended upon to hold in check and

That competition is eliminated, that prices are turers, is a serious charge that all too easily suggests which for that reason should not be uttered lightly member that the statutes of our country provide ample in restraint of trade. If such illegal practices are Canadian Manufacturers' Association has no sympathy aggrieved, we would say that the remedy lies in their with fiscal or tariff policy—they are the result of England is a leader in the promotion of industrial that many forms of trade agreements, many so-called Those that lead towards standardization of quality, the adoption of more economical methods of production in the interests of the consumer as they are in the in

Another claim advanced by the agriculturists w of Eastern Canadian farm land, and in the disproportionate the West, we have clear evidences that agriculture principal causes contributing to this, they allege to depreciated 25 per cent. through their having to buy duly enhanced by the tariff. We have the authority *Gazette*, in his Report on Wholesale Prices in Canada the appreciation in value of grain and animal products 1890-1899, was greater than the appreciation in the with the exception of lumber and furs. According 50 per cent. more for his grain, 48 per cent. more for produce than he did 10 years ago, while for other textiles only 8 per cent. more, for implements only which lumber largely enters only 10 per cent. more, less, as shown in appendix. It is probably no exagger any kind of farm produce will purchase 50 per cent would have 20 years ago.

However the decline of rural population may has become less profitable than it was. On the contrary than it is to-day, coupled with the axiom that the farmer indicates that the farmer is making most gratifying States farmers by the hundred thousand are annually wealthy, is the best evidence of the improved position the United States even with his larger market. (See

We have noted the suggestion offered on behalf of be immediately increased to 50 per cent., with preferential rates of duty as would establish complete free within ten years. The Association's position on this in 1902. The resolution on this subject has been read as follows: "That while the tariff should primarily nevertheless give a substantial preference to the Mother British Empire with which reciprocal preferential trade under any conditions, the minimum tariff must afforducers." Having regard to present conditions in C

toll on all other classes of the community; it is equally  
of protection. The workman, the storekeeper and  
under a moderately protective tariff as is the manufacturer.  
The latter may be enabled to enlarge his business and increase  
that every dollar he spends in the employment of labor  
much more money in circulation, and so much more wealth

tribute from any class; on the contrary, it induces a con-  
try citizen, including the farmer, gets his full share. The  
the whole duty to his selling price are general in character  
Such statements can be easily disproved over and over  
investigator who will examine the facts as they really exist.  
of manufacturers are offering the consumer better articles  
twenty years ago. This is only what might be expected  
which a moderate tariff regularly induces, and which can  
check any desire to reap immoderate profits.

prices are enhanced by agreements among the manufac-  
sugger itself to the suspicious or biased mind, and  
ered lightly. Those who do make the charge should re-  
provide ample machinery for the suppression of combinations  
practices are resorted to, we desire to state frankly that we  
no sympathy with them, and to those who feel themselves  
ies in their own hands. Combinations have no connection  
result of the modern tendency to organize. Free Trade  
Industrial mergers. It should not be forgotten, however,  
any so-called mergers or combines, are perfectly legitimate.  
of quality, those that make lower prices possible through  
s of production and distribution, are obviously as much  
e in the interests of the manufacturer.

culturists who waited upon you, is that in the depopulation  
e disproportionate increase of urban to rural population in  
griculture is not prospering as it should. As one of the  
y allege that the purchasing power of their produce is  
ing to buy all their supplies at prices that have been un-  
e authority of Mr. Coats, Associate Editor of the *Labour*  
s in Canada 1890-1909 (page 16), for the statement that  
imal products for 1909, over the average for the decade  
tion in the value of any other commodity investigated.  
According to the same authority the farmer is getting  
t. more for his meat, and 35 per cent. more for his dairy  
for other foodstuffs he pays only 7 per cent. more, for  
ents only 2 per cent. more, and for house furnishings in  
cent. more, while on many manufactured articles he pays  
ly no exaggeration to say that a fixed amount of almost  
50 per cent. more of general manufactured goods than it

tion may be explained, it is surely not because farming  
On the contrary, the fact that business was never better  
at the farm is the basis of our national prosperity, clearly  
gratifying progress. The fact that experienced United  
are annually coming to our West, of their becoming  
oved position of the Canadian farmer over the farmer in  
ket. (See Appendix 10).

on behalf of the farmers that the British Preference should  
, with provision for such further reductions in the pre-  
complete free trade between Canada and the Motherland  
on on this subject was defined at the Halifax Convention  
as been reaffirmed at every Convention since 1902 and is  
primarily be framed for Canadian interests, it should  
to the Mother Country, and also to any other part of the  
ferential trade can be arranged, recognizing always that  
must afford adequate protection to all Canadian pro-  
ductions in Canada, we consider that any increase in the

existing preference is inadvisable and would impede

In its relation to the manufacturer, the tariff mental farms, grain inspection, terminal elevators, the Hudson Bay Railway and a score of other things request of the farmers for federal assistance in will contribute to its advancement and their own progress that with a fuller and better understanding of the in a firm stand for stability of tariff, diversified home markets. (See Appendix 11).

For why should the farmers not do so? They are sacrificing other industries in order to advance the best developed by the healthful exercise of all its powers and resources.

And so as the growth of our young nation progresses is well ordered and well balanced. By nature we have and in the variety of our resources. In utilizing, indeed, but all of those resources lie our surest road to progress.

And that is why we say to you, Sir, in conclusion, opposed at the present juncture to any tariff reduction, an unsettling influence upon the prosperous conditions well, remarkably well. Our population is increasing, our education are being extended and improved, our industries diversified, while our markets are rapidly becoming the opening lies clear before us; looking ahead we can see no elements that would tend to check our progress, but a goal wherein our warmest hopes are centered. To those whose ways are devious and that lead us we know to disaster, and we earnestly pray, therefore, that you adhere to a policy which through thirty years has been under whose beneficent influence Canada seems to be the greatest good.

## APPENDIX

### United States Exports

An examination of the trade statistics of the United States upon that country's present overtures for Reciprocity, September, 1910, their exports of domestic merchandise valued at \$210,490,966 were manufactures for further use in manufactures ready for consumption. The sum of these is all of their exports put together. But this is not complete, known as "foodstuffs, partly manufactured" which are also as legitimately forming a part of the exports of the United States exported for the nine months ending September, 1910, to over 66 per cent.

Applying the average for the first nine months of 1910 available when this statement was prepared, it indicates manufactures ready for consumption and manufactures for further use, 000,000 mark. This is an enormous amount for which there is little doubt that underlying the present agitation in the United States is an earnest desire to open wider the markets of this country.

At the same time it enables us to catch a glimpse of the progress we continue to work out our own industrial destiny and

## APPENDIX

### The Balance of Trade—Canada

For the fiscal year ending 31st March, 1910, our exports, \$501,809, their purchases from us \$113,150,778. For the

ould imperil the existence of many Canadian industries. the tariff stands in exactly the same position as elevators, facilities for chilling meat, cold storage shipping, other things stand in relation to the farmer. With the assistance in surrounding their industry with such adjuncts as their own prosperity, we are in hearty accord, feeling hopeful of the situation, they will speedily join hands with us diversified home industries, and strong home and Imperial

so? They cannot hope to be permanently benefitted by advance their own. Like the human organism, a nation is of all its functions—by the judicious utilisation of all its

nation proceeds, we should see to it that its development nature we have been singularly blessed, both in the extent utilizing, in cultivating, and in improving not merely one road to present prosperity and future happiness.

r, in concluding this expression of our views, that we are tariff reductions or treaties of trade that would exercise an conditions which now obtain. Thus far Canada has done increasing by leaps and bounds, our avenues of communi- our industries are daily growing stronger and more diver- ming the envy of the world. The course we are now tra- we can see that not only is it free from all those entangle- gress, but that it steadily approaches that great Imperial ered. To depart from that course into alluring by-paths, s we know not whither, would only seem to be courting e, that you will deem it the part of wisdom to continue y years has proven itself to be abundantly satisfactory, and seems destined to attain our highest ambitions and her

## APPENDIX 1.

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### Exports of Manufactures.

ics of the United States throws an interesting side light Reciprocity with us. For the nine months ending Sep- merchandise of every kind were \$1,193,321,512, of which er use in manufacturing, and \$401,684,694 were manu- of these two, \$612,625,660, accounts for 51 per cent. of s is not crediting the exports of manufactures with a class ed" which are valued at \$180,159,193. If we regard this exports of manufactured goods, it means that of everything aths ending September last manufactured goods amounted

e months to the last three, the figures for which were not ed, it indicates that the exports for the year of manufac- ures for further use in manufacturing will pass the \$800,- unt for which to have to find an outlet, and there can be gitation in the United States for Reciprocity with Canada, ts of this country for exploitation by their manufacturers. h a glimpse of what the future may hold in store for us if l destiny along independent lines.

## APPENDIX 2.

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### Trade—Canada and the United States.

, 1910, our purchases from the United States were \$223,- ,778. For the past decade the returns in round figures

show imports from the United States of \$1,600,000,000. In other words seven million Canadians purchase ninety million people in the United States purchase

## APPENDIX

### Comparison of the Customs Regulations

As illustrating the difficulties to which the case of a Canadian manufacturer attempting that in the United States the Customs ports of entry are at the frontier. Where the goods are consigned to an importer is required to employ a broker at the frontier, unlike in Canada that far on the way, as it is the general practice in the United States to pay duty on duty paid delivered prices.

If the shipment is valued at over \$100 the importer must employ a particular consular officer of the United States who must certify the goods were manufactured or purchased. The price of the goods is added to those whose place of business is in a town where the consular officer resides, and the delays arising from this cause are a serious hindrance to his trade in competition with United States houses.

The consular certificate costs the exporter \$2 in addition to which there are the usual entry fees payable at the Customs. Almost always have to be borne by the exporter as prices are by no means a negligible quantity is shown from the experience of two firms in Ottawa, on shipments last year, to the people who are in a fair position to judge, that a large part of the cost of the United States Consular Service in Canada is borne by Canadian exporters.

As against all this, the United States manufacturer can send his goods through to destination in bond without cost, no invoices being required, and every place of any size has a Customs Port of Entry.

The difference between the two systems places the Canadian at a disadvantage; in fact, so expensive and so difficult that only those in the United States that only those whose transactions are large enough to persist in the effort.

## APPENDIX

### British and European Investment

Upon this point Sir George Ross in an address delivered in November, said:

"The British market has always been the centre of national and industrial undertaking. It was our railways and dug our canals. Nearly every great work was carried out by loans in London. British capital built the continental railways. It lights our streets, builds our works and carries us from continent to continent. According to *The Monetary Times*, the sum of \$60,000,000 of which \$97,500,000 has been invested in the United States country. Mr. Paish, an eminent London authority, has absorbed £300,000,000 of British capital in the United States."

## APPENDIX

### United States Capital in Canada

As the result of some investigations conducted by the Canadian authorities subsequently verified and added to by officers of the United States

\$1,600,000,000, exports to the United States of \$800,000,000, and Canadians purchased twice as much from the United States as they purchased from Canada.

### APPENDIX 3.

Regulations of the United States and Canada.

Since the United States Customs regulations give rise, in attempting to sell goods in that market, it may be stated that ports of entry with very few exceptions are located at the coast to an inland point, therefore, the Canadian exporter at the frontier, unless he is prepared to accompany his shipment in person, practice in all such shipments from this country to sell at

100 the exporter must declare to an invoice before the United States who has jurisdiction over the district in which the goods are sold. The procuring of this certificate is a serious inconvenience in a town or city other than that in which the consular office is located, and this cause often make it difficult for the exporter to hold his business houses not so handicapped.

The exporter \$2.50 (sometimes travelling expenses besides) in addition to the fees payable to the frontier broker. These expenses are often charged to the exporter as part of the cost of securing business. That they are shown from the fact that the aggregate amount so paid last year, totalled \$7,700. In fact, the claim is made by the exporters, that a large portion if not all of the costs of the United States are borne by Canadian shippers.

A manufacturer exporting to Canada can always forward his goods without cost or trouble of any kind to himself, no consular office of any size in this country having been constituted a

seems places the Canadian manufacturer at a tremendous disadvantage. So difficult is it made for Canadians shipping goods to the United States, that transactions run into very large figures find it worth while

### APPENDIX 4.

European Investments in Canada.

An address delivered before the Toronto Board of Trade

has always been our base of supplies for every large manufacturing concern. It was with British capital that we built

Nearly every large municipal work in Canada has been financed by British capital. British capital is now building two trans-continental railways, lays down our sewers, builds our water works, and connects us with the continent. In the last five years, according to the report of the Board of Trade, a sum of \$605,453,856 has been invested in Canada in enterprises for the development of the country. The London authority on finance, says that Canada has received more British capital.

### APPENDIX 5.

Capital in Canadian Industries.

is conducted by *The Monetary Times* (Toronto.) and the officers of the Canadian Manufacturers' Association, it is

known that at the present time at least 200 United States branch factories in Canada, representing an enormous influx of capital, with all the benefits accruing to the Canadian people, which made it worth while for those who hoped to manufacture. Had that tariff not been a protection, it would probably have enlarged their home factory building on this side, in which case we would now be competing with United States labour, instead of goods made in the United States.

That our neighbours look upon this movement with Canada is shown in the following extract from a speech of Indiana:

"There must be reciprocity with Canada. The world does not apply to our northern neighbours. American manufacturers across the Canadian border. American capital on Canadian soil, employing Canadian labour. That capital should be kept at home to supply Canadian demand. We should give Canadian paper free in return for Canadian machinery, our engines, pumps and other machinery. Canadian lumber to American planing mills. And other American manufactured products to Canada."

In this connection it is worthy of mention that the recently acquired sites in Canada with a view to resuming suspended operations pending the outcome of the negotiations of our tariff on the goods they manufacture will be unnecessary.

## APPENDIX

### The Effect of Reciprocity

That this is not mere idle surmise on our part, but that we actually hope to gain by the negotiation of a Reciprocity Treaty, is shown by the remarks of public men who are leading the agitation in New England. In an article contributed to the *Boston Herald* by a member of the Boston Chamber of Commerce, in these words:

"If we were to admit Canadian grain, it would stay with us for home consumption. It would not go to foreign lands—New York, Portland, and other ports for the foreign trade of Eastern Canada. Canadian grain should be on this side of the Atlantic. The Canadian Pacific and Grand Trunk Pacific should import grain at their port in Boston, New York and Portland."

Honourable Eugene N. Foss, Governor of Massachusetts, who has been in force for many years in the United States

"has resulted in sending approximately \$10,000,000 worth of Canadian goods to build up branch industries in the United States. It has also resulted in stifling the growth of England industries and kept us out of the market by every right. It has kept the grain from us by every right. It has ruined our coastwise shipping industry and has resulted in a little value."

## APPENDIX

### The Farmers' Home

Of the various methods that may be employed to develop the home market, none is entirely satisfactory because of the lack of accurate crop and live stock statistics from year to year.

200 United States manufacturing companies are operating  
an aggregate investment of \$226,000,000. For this  
accruing to the Dominion therefrom, we must thank a tariff  
who hoped to sell us goods to come to this side of the line  
been a protective one, those United States manufacturers  
some factories to take care of Canadian business instead of  
would now be using goods made from United States material  
goods made from Canadian material with Canadian labour.  
a movement as a distinct loss to be remedied by Reciprocity  
extract from a speech recently delivered by Senator Beveridge.

ity with Canada. Our tariff with the rest of the  
northern neighbour. That policy already has driven  
the Canadian borders, built vast plants with  
a soil, employing Canadian workingmen to supply  
kept at home to employ American workingmen  
1. We should admit Canadian wood pulp and  
for Canada's admitting our agricultural imple-  
and other machinery free. We should freely admit  
planing mills in return for Canada's freely admitting  
products to Canadian markets."  
mention that certain wealthy United States concerns that  
a view to the immediate erection of extensive shops have  
some of the present negotiations, presumably in hopes that  
re will be so reduced as to make such a move on their part

## APPENDIX 6.

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### of Reciprocity on Transportation.

on our part, but one of the objects which our neighbours  
of a Reciprocity Treaty with us, may be gathered from the  
the agitation on the other side of the line. Mr. H. M. Whit-  
to the *Atlantic Monthly* for October, expresses himself

Canadian grain free from tariff charges, much of it  
consumption; a portion of it would go through our  
New York, Portland and Boston are the natural outlets  
of Canada. The elevators for storing and handling  
this side of the line, and the steamers of the Canadian  
trade should in the winter time at least find their home  
at Portland."

Senator of Massachusetts, stated that the policy which has been  
adopted

approximately \$300,000,000 of American capital to  
industries which compete with our own in foreign  
markets, stifling the growth of Massachusetts and New  
England out of the business and commerce which belongs  
to the great Canadian railways from our ports.  
Shipping interests and made our wharf property of

## APPENDIX 7.

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### Farmers' Home Market.

are employed for arriving at the value of the farmers' home  
produce because of the fact that we have no machinery for collecting  
the same year to year. The following examples however, would



seem to indicate that the statement "80 per cent. consumed within our own borders" is well within

(1). The Crop Bulletin for 1909 places the value of Canada that year at \$289,144,000.00. To arrive at the net exports, i.e., the exports of such products, deduct the net exports, i.e., the exports of such products.

Barley.

Oats.

Wheat.

Total.

For the same period the imports entered for consumption

Barley.

Oats.

Wheat.

Total.

Deducting one from the other it leaves the net exports of \$234,046,112, or 81 per cent. of the whole, represents

(2). It will be noticed that the above example includes wheat and barley. The computation which follows embraces

According to the Bureau of Statistics, the total value of the exports of such products for the fiscal year ending 31st March 1910 was \$532,992,100. For the fiscal year ending 31st March 1909 (grown only) were:

To the British Empire.

To other countries.

Total.

Of this \$20,083,939 was exported in a manufactured form. The net exports of unmanufactured field products \$70,349,788 must deduct imports of unmanufactured field products amounting to \$57,748,046. From these statistics it appears that the net exports of such products are 89-1-5 per cent. of the total production.

(3). Neither of the above illustrations takes account of an annual inventory showing the value of our stock of such products. The following comparison however, is suggestive. In 1910, our exports of unmanufactured field products were \$70,349,788, our exports of animals and unmanufactured animal products \$1,000,000, our exports of unmanufactured farm products to be \$1,000,000 only amounted to 21 per cent. of the value of the field crop for last year of one province (Ontario) was worth 21 per cent. of the whole of Canada.

Honourable James A. Duff, Minister of Agriculture, closed, states:

"We have had abundant crops in all lines of production, and with good prices all round the field, though not undeserved prosperity."

Honourable George H. Murray, Premier of Nova Scotia.

"With the exception of fruit, which has been a partial failure, crops have been one of the most prosperous in the history of Nova Scotia.\*\*\*\*\* The striking feature of the year is the much larger amount of fruit being consumed, especially in Cape Breton, than ever before."

Mr. James A. Ruddick, Dairy Commissioner of Nova Scotia.

"The main reason for the decrease in exports is increased home consumption. I see no reason for this. On the contrary, we have every reason to conclude that another outlet in the enlarged home market will give more attention to our home trade, which is more than we have generally recognized. I have seen that Canada over two-thirds of our total dairy production is consumed at home."

He further states that the market for dairy products is worth \$2,000,000 a year.

percent. of everything that is grown upon the farm is  
 all within the mark.

res the value of all the wheat, oats and barley grown in  
 arrive at the home consumption of these crops we must  
 of such produce proper, less any imports entered for con-  
 ch 31st, 1910, the exports (Canadian produce only) were:

\$	1,107,732
	1,506,612
	52,009,351
<hr/>	
\$	55,283,695

red for consumption were:

\$	102,908
	27,287
	55,612
<hr/>	
\$	185,807

es the net exports \$55,097,888. The balance therefore,  
 represents what was consumed by the home market.

e example deals only with three commodities, wheat, oats  
 ws embraces all field crops.

s, the total value of Canadian field crops for 1909 was  
 31st March, 1910, our exports of field produce (Canadian

\$	76,427,447
	14,006,300
<hr/>	
\$	90,433,747

a manufactured state, (flour, oatmeal, etc.), leaving the  
 \$70,349,788. But again, to arrive at the net exports we  
 field products valued at \$12,601,742, bringing the final  
 e statistics the home market appears to have consumed

ns takes cognizance of animal products, and in the ab-  
 value of our live stock, it is difficult to furnish satisfactory  
 er, is suggestive. For the fiscal year ending 31st March,  
 products as shown above were \$70,349,788; to this add  
 ed animal products, \$43,900,000, and it shows our total  
 s to be \$114,000,000. Lumping the two together they  
 e of the field crop alone. As a matter of fact, the grain  
 ) was worth \$54,000,000 more than all the farm exports

of Agriculture for Ontario, referring to the year just

os in all lines of farm production, with few excep-  
 und the farmers have enjoyed unprecedented  
 y."

er of Nova Scotia, likewise reviewing the past year, says:  
 which has been a signal failure, and potatoes,  
 crops have been exceptionally good, and the year  
 us in the history of agriculture in the province of  
 ng feature in connection with this year's sales is  
 eing consumed in the home market, more espe-  
 before."

sioner of the Department of Agriculture, says:  
 ecrease in exports of butter and cheese is the in-  
 ee no reason to deplore our decreased exports.  
 son to congratulate ourselves that we have found  
 ne market—the lesson for us is that we would  
 ade, which has already been of more importance  
 d. I have only to state that we consume in  
 al dairy production."

or dairy produce in Canada is increasing at the rate of

## Our Imports of

The undue importance attached by Western with their apparent unwillingness to go in for mix that one of the greatest agricultural countries in the products.

Mr. William Whyte, Vice-President of the C the "Toronto Globe" of January 2nd, as saying:

"If ever there was an agricultural country. Our sole resource is agricultu into Winnipeg over twelve million eggs. in chickens from Chicago. We are also i

"The trouble is that our farmers are with wheat, and they have not the labor can go away in the winter, and leave th The loss which follows exclusive wheat- nized. The agriculturist is engaged in itself. He is not so much tilling his land not as a farm should be used, but as a n and putting nothing back. If the past our prairies to adopt other methods and portion of our crop would not be greatly

The total value of animal and agricultural p during the fiscal year of 1910 was \$31,500,000, ex ducts and exclusive of ground or manufactured ce

In fact so fast is the home market for farm p unable to keep up with the demand.

## The Effect of t

At least two officers of the Canadian Council MacKenzie, have asser.ted that the manufacturer r duty. Illustrating the point, Mr. MacKenzie, say agricultural implements manufactured in Canada of which \$2,342,828 worth were exported, leav were imported that year \$1,593,914 worth of imple to the extent of 20 per cent., or \$318,782. It is n selling price of his commodity the total amount duty. The farmers of Canada thus paid the Go facturers of farm implements \$2,098,383 ( 20 pe farmers are taxed by reason of Customs duty o \$14 and the manufacturers \$86." Leather, boots Kenzie in the same way for the purpose of showing taxed for the benefit of the manufacturers.

It needs very little reflection to detect the f acturer took for himself the full amount of the d as much business in Canada as the foreign manuf by Mr. MacKenzie, the disparity is still more stri sell nearly 20 times as much to Canadian consum If they appealed to the consumer on terms equal difference.

That the manufacturer should be able to imp time reduce the price to the consumer may at fir put. Every manufacturing operation whether lar ary overhead expense including such items as re superintendence, etc. If these expenses have to

## APPENDIX 8.

### Imports of Farm Produce.

Western agriculturalists to the raising of wheat combined in for mixed farming, has resulted in the peculiar anomaly that a country in the world is becoming an extensive importer of farm

of the Canadian Pacific Railway Company, is reported in as saying:

gricultural country in the world, Manitoba is that agriculture. Yet this year there were imported million eggs. For our dining-cars we are now bringing are also importing cream from the United States. Farmers are wheat mad. They have made money at the labor which mixed farming involves. They leave the hired man to take care of the horses. Wheat-raising on the farm is universally recognized in selling, not his products, but the farm his land as exploiting it. He is using the land, but as a miner uses a mine. He is taking all out of the past hot summer should teach the farmer of methods and to practice mixed farming, the loss of a be greatly regretted."

gricultural products imported into Canada for consumption 30,000, exclusive of salted, smoked or prepared animal products and manufactured cereal products.

for farm produce growing that our farmers are practically

## APPENDIX 9.

### Effect of the Tariff on Prices.

an Council of Agriculture, Mr. E. C. Drury and Mr. R. J. manufacturer raises his selling price by the full amount of the Macenzie, says: "According to the census of 1908 there were in Canada in the year previous to the value of \$12,835,745. exported, leaving for home consumption \$10,492,919. There is a total of implements on which the Government collected duty \$2. It is now conceded that the manufacturer adds to the full amount of the protection granted him by the Customs and the Government that year \$318,872 and to the manufacturer \$3 (20 per cent of \$10,492,919)\*\*\*\*\* For every \$100 of duty on agricultural implements the Government gets \$10,000, boots and shoes and cement are treated by Mr. Macenzie of showing how heavily and how unjustly farmers are being taxed.

to detect the fallacy of this argument, for if the home manufacturer of the duty how would he be able to secure seven times the price of a foreign manufacturer? In the case of boots and shoes quoted as more striking, because our own manufacturers apparently treat our consumers as foreign boot and shoe manufacturers do. If our boots and shoes are equal or nearly equal there would not be such a wide

able to improve the quality of his product and at the same time may at first seem incredible, but it all hinges upon the output whether large or small involves a certain amount of stationery, as rent, heat, light, insurance, taxes, office expense, and these have to be met out of the returns from a small output

it follows that the proportion carried by each unit if on the other hand they can be spread over a large unit of production may become insignificantly small the lower the cost of production and the cheaper of a tariff which secures the home market or at least

A few examples will suffice to illustrate how Ontario began the manufacture of buggies. In 1875 farmers paid them from \$100 to \$170 each. Last year an output of 15,000 and were able to offer the farmer used to have to pay \$170 for. In 1878 the price to-day it is under five cents. The best binder in 1875 gets a lighter and more compact binder that will be made in Ontario at from \$100 to \$105; to-day the

## APPENDIX

### The Value of a Protective

The members of the Canadian Manufacturers' Association have made a tariff on farm produce as something that would be a general. In this connection Mr. C. C. Ballantyne in 1906 used words which in the light of subsequent events Ballantyne said:

"Our flaxseed is shut out of the American market at 10 cents per bushel. Why do not our Canadian farmers pay a duty on flax grown in Canada to give the farmer entitled to? There is from a million and a half bushels consumed in Canada annually by our Canadian farmers a million bushels or more of foreign seed is used in Canada" flaxseed, and grown right here in Canada.

"I wish to point out to the intelligent farmer that if farmers find flax more profitable to grow than wheat, when the tariff is taken place, there will be a loss of the farmer and that all flaxseed used in Canada will be from the United States.

Up to 1907 flaxseed entered Canada free of duty. The figures for the two years immediately preceding show that we

#### Fiscal Year

1905	.....
1906 (after deducting exports of foreign)	.....

At the close of 1907 flaxseed was protected by a tariff of three years, as will be observed from the figures, our exports jumped from nothing up into the millions.

#### Fiscal Year.

1908 (after deducting exports of foreign)	.....
1909	do
1910	.....

And yet it is still alleged on behalf of the farmers that they have little value to them.

## APPENDIX

### Do the Farmers Really Want

While no effort has thus far been made towards a reduction of variance with the Canadian Council of Agriculture, it is

each unit of production will be comparatively high. But over a large output, then the proportion carried by each is significantly small. Generally speaking, the larger the output the cheaper the price to the consumer, hence the advantage of getting or at least the bulk of it to the home manufacturer. Illustrate how this works out. In 1878 a certain Company in England. In 1879 they sold all told about 30 buggies, for which they received £100. Last year in various kinds of wheeled vehicles they had sold over the farmer for \$85 a far better buggy than the one he had before. The price of sugar was nine and ten cents per pound retail; in 1878 sold at from \$275 to \$300; to-day the farmer can get a binder that will last longer for \$125. In 1878, single reapers retailed at from \$60 to \$65.

## APPENDIX 10

### Protective Tariff to the Farmer.

The Manufacturers' Association have consistently advocated a tariff that would materially improve the condition of agriculture. Mr. C. Ballantyne, when delivering his Presidential address in 1880, said that subsequent developments were singularly prophetic. Mr.

of the American market on account of a duty of 25 cents per bushel. Our Canadian farmers ask our Government to place a tariff on wheat to give them the home market which they are justly entitled to. They produce a million and a half to two million bushels of flaxseed annually for our Canadian linseed oil crushers, and why should they be forced to use foreign seed instead of buying "Grown in Canada"? The intelligent farmers of the West that the American market is a better one to grow than wheat, and I hope that, when revisited, there will be a duty placed on flaxseed for the benefit of the Canadian farmer. Flaxseed used in Canada will be "Grown in Canada." Flaxseed is now free of duty and the figures, imports and exports, for the last year show that we were an importing country.

	Imports Bushels	Exports (Canadian) Bushels	Value.
.....	176,887	314	\$ 479
(Can.) .....	711,138	2,824	3,328

affected by a duty of 10cts. a bushel, and during the following year the figures, our imports dwindled down to practically nothing, and our exports went into the millions.

	Imports Bushels	Exports (Canadian) Bushels	Value.
(Can.) .....	495,154	10,997	\$15,098
.....	288,468	693,779	855,908
.....	4,344	1,997,648	3,642,476

of the farmers that a tariff on their products can be of great benefit.

## APPENDIX 11.

### Why Do We Want Reciprocity or Free Trade?

made towards organizing those farmers who hold the land. In agriculture, it seems probable from the voluntary action of the farmers that a tariff on their products can be of great benefit.

of opinion that have appeared, that farming sentiment is more than most people suppose.

The Wentworth farmers are reported in the "Press" to have expressed themselves in these words:

"That if free trade were universally adopted, it would be lighted, but so long as our neighbors and ourselves must uphold our own best interests and our own independence, which we believe the present tariff is fair.

"If free agricultural implements and machinery would assure us of their continued and increasing demand, and necessary revenue raised under such conditions, as past experience has shown that this is the case, under present conditions that have brought Canadian prosperity in the eyes of the rest of the world, it would be nearly so.

"In our opinion the first step in the negotiations with the United States should be a suggestion that the tariff should be reduced to a par with our own. A concession for concession should be had, always a concession to Canada; and in case progress could not be made, the splendid prosperity we are now enjoying from our agricultural products would be of no avail. It would perhaps be a mistake to reduce it, in the present position, to any section of the community.

Dissenting French-Canadian farmers who attended the meeting in Ottawa, but whose protests were not listened to, expressed their views after the meeting:

"The province of Quebec is satisfied with the present tariff for any revision. It is becoming more and more attractive to its large centres a population of farmers and agricultural products.

"We believe that it is the duty of the government to protect against American competition. The farmers of the west injure those of the east when they ask for a free market for our products and of our industries in the sections of Canada; it is a national question.

"Similar petitions were passed by the various agricultural societies of Quebec."

The following is a resolution unanimously adopted:

"Resolved—That in view of the position of the province regard to reciprocity of tariffs, the Ontario Farmers' Association place on record their unqualified disapproval of the free fruit coming into Canada without consultation of the fruit association.

"The duty is now much lower than it should be, lower than they ought to be in view of the competition of the combine in fruit; the price being fixed at a low level."

The Winnipeg Vegetable Growers have memorialized:

"To the Hon. Sir Wilfrid Laurier, P. M., of the House of Commons at Ottawa:—

"We, the members of the Kildonan Farmers' Association, at their annual meeting assembled, humbly desire that you should consider the importance of the duty now being levied on fruit coming into Winnipeg from the United States. We are left as at present, and sincerely hope that you will consider the same, as asked for by the wholesalers of the province in 1909, as it would be the means of depriving the farmers of their earnings and, in fact, many of their livelihood."

Only a few days ago the following telegraph was received from Victoria, B. C.:

"The Central Farmers' Institute, in a letter to the delegates from all parts of British Columbia, expressing their view with alarm the movement of the fruit and vegetable products with the United States."

ing sentiment favourable to stability of tariff is stronger  
d in the "Globe" of December 12th, 1910, as having ex-

universally adopted we would be more than de-  
sires and other countries adopt the opposite course  
interests under the circumstances as we find them,  
tariff is fairly successful in doing.

ments and other articles required by agriculturists  
and increased production in Canada, and our  
such conditions, we would also be delighted; but  
that this is altogether unlikely, then we believe  
ought Canada so favorably conspicuous for pros-  
of the world had better be maintained or pretty

step in the negotiations for more reciprocal trade  
be a suggestion to the United States that their  
with ours as a basis of beginning, then conces-  
sion, always along the line of at least equal advantage  
could not be made in this way, then in view of  
now enjoying under present tariff conditions it  
could be of immense benefit without any apparent  
reduce it, in fact we believe a slight increase on a few  
the community."

who attended the meeting of the Council of Agriculture  
listened to, handed the following statement to the press

satisfied with the present tariff and does not ask  
ing more and more a manufacturing centre, and is  
a population which makes a constant demand for

duty of the Government to protect our markets

The farmers of the west can hardly desire to  
they ask for a reduction of the tariff, which would  
of our industries. This is a not fight between two  
national question.

passed by some half dozen French agricultural

unanimously adopted by the Ontario Fruit Growers' Association:  
of the possible negotiations with United States in  
the Ontario Fruit Growers' Association wish to  
express disapproval of any reduction of the duties in  
without consulting a committee to be appointed by the

lower than the duties on manufactured goods and  
in view of the fact that there can be no monopoly or  
being fixed absolutely by the law of Supply and De-

have memorialized the Government in these words:  
Laurier, Premier of Canada, and to the Members  
Ottawa:—

Kildonan and St. Paul's Agricultural Society, in  
jointly desire to impress upon your honorable body  
now being imposed upon green vegetables coming  
from the States. We therefore petition that this duty be  
reduced. We hope that your government will not remove the  
wholesalers of the City of Winnipeg in the session of  
without depriving our gardeners of a very large propor-  
tion, many of them would have to go out of business."  
The telegraphic despatch appeared in all the Eastern papers

at its annual convention here to-day, with forty  
British Columbia, unanimously passed a resolution  
in support of the grain growers for reciprocity in natural  
resources."



